

REMARKS

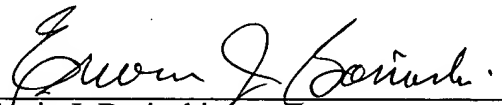
The changes to the specification constitute no new matter and merely serve to clarify that the fee paid by vendors to participate in the system are paid to the State government who uses them to pay the service provider. In some instances the state can direct that the fee may be paid directly to the services provider. Similarly the added claims are those which claim the case where the fees are paid to the state government who in turn uses them to pay the service provider. This is to preclude an infringer from merely paying the State in lieu of the service provider in an attempt to avoid the invention. As clearly indicated in Figure 5, blocks 529, 531, 535, 537 and 539, the State collects the fees in the preferred embodiment and uses the fees to pay the services provider. The proposed change to Figure 5 is to change block 537 from showing a payment to "Andersen Consulting" (applicants in this invention) to the more general "services provider." The name Andersen Consulting was legally changed to Accenture on January 1, 2001, however it is more appropriate to change the name Andersen Consulting to the more general "Services Provider" in any case.

Attached hereto is a marked-up version of the changes made to the specification and claims by the current amendment. The attached page is captioned "**Version with markings to show changes made**". Also attached is a proposed revised Figure 5 showing the proposed change at block 537.

In the unlikely event that the transmittal letter is separated from this document and the Patent Office determines that an extension and/or other relief is required, applicant petitions for any required relief including extensions of time and authorizes the Assistant Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to **Deposit Account No. 03-1952** referencing docket no. 426882000400. However, the Assistant Commissioner is not authorized to charge the cost of the issue fee to the Deposit Account.

Respectfully submitted,

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VERSION WITH MARKINGS TO SHOW CHANGES MADE

In the Specification:

1. On page 4, third paragraph

A method is disclosed for a state procurement system comprising the acts of providing an Internet-based procurement system for use by a state government agency; providing an internet portal for use by the state government agency to interface with the Internet-based procurement system; providing an internet portal for use by a qualified vendor wishing to sell products to the state agency, **the vendor paying a fee to participate in the system,** the fee paid to the **state agency for use in paying the** services provider; and providing the procurement system to the state government agency for a negotiated price to the state government agency designed to generate direct savings to the state government agency.

2. Replace the paragraph which begins at line 20 of page 8 which reads “Referring now to **Figure 5 . . .**” and which continues on to the top of page 9.

Referring now to **Figure 5** an exemplary transaction is described. In **Figure 5** when a purchase request is received **501** from a state government agency, the request may be in any number of formats and/or protocols. The purchase request is converted to a standard format and protocol **503** and a qualified vendor is located **505**. A request is submitted to the determined vendor **507** and a determination is made as to whether the specified vendor call fill the order **509**. If the vendor cannot **511** another vendor will be selected if possible **517** and the request submitted **507** again. If another vendor cannot be found **519** the requesting state government agency will be notified **521, 523**. If the selected vendor can fill the order **513** the order is placed **525** and order tracking records are written. Once the goods/services have been received and accepted **527**, accounting entries are set up for the cost to the agency to disburse funds **529**, and payment is made using the business model rules calculation **531** for the amounts due to the vendor **533** and the fee amounts to be put into the eProcurement Reserve Fund **535**. The fees due to ~~Andersen Consulting~~**Accenture**TM per the business model are distributed **537** and the distribution is made to the eProcurement Service Provider partner **539**.

3. Replace the second paragraph on page 9 which begins at line 8 with “The purpose of the business model . . .” as follows:

The purpose of the business model is to provide a mechanism for the State to make substantial progress towards the E-Commerce objectives including better citizen and business services at a lower cost. One strategy is to develop a self-funding mechanism to pay for the development and operational services to be provided by the Service Provider. For example, ~~Andersen Consulting~~Accenture/Yahoo! team. The self-funding business model that is proposed is targeted to meet a number of key objectives critical to the state’s needs.

4. Replace the paragraph on page 11 which begins at line 14 with “2) Supplier Frre - . . .” as follows:

2) Supplier Fees - Suppliers would pay a minimum fee (% of goods and services sold to the State – e.g. 2-4%) **to the State for payment** to the Services Provider team for all activity conducted using the E-Procurement system. An illustrative example of the projected ramp-up of agencies and the target percentage of all procurement spending processed by the E-Procurement system, to be confirmed during a start-up period, would be as follows:

5. Replace the paragraph which begins at line 29 on page 11 with “In the above example, . . .” and which continues on the top of page 12 as follows:

In the above example, suppliers to ITS would begin participating in the E-Procurement system during a six-month pilot. The supplier price would include a fee paid to **the state for later payment to** the Services Provider team based on the dollar value of E-Procurement transactions. The State would be responsible for generating the agencies’ participation at the targeted levels.

In the Claims:

Claims 13 - 20 are newly added.